





Stage 3. Draft STC Modification SG Report		At what stage is this document in the process?								
<h1>CM073:</h1> <h2>Critical Friend review period for submission of new modifications</h2>		<table border="1"> <tr> <td>01</td> <td>Initial Modification Report</td> </tr> <tr> <td>02</td> <td>Industry Consultation</td> </tr> <tr> <td>03</td> <td><b>Draft STC Modification SG Report</b></td> </tr> <tr> <td>04</td> <td>Final STC Modification SG Report</td> </tr> </table>	01	Initial Modification Report	02	Industry Consultation	03	<b>Draft STC Modification SG Report</b>	04	Final STC Modification SG Report
01	Initial Modification Report									
02	Industry Consultation									
03	<b>Draft STC Modification SG Report</b>									
04	Final STC Modification SG Report									
<p><b>Purpose of Modification:</b> This modification seeks to codify a requirement for new modifications to be submitted to the National Grid ESO Code Administrator for a period of five working days ahead of when the modification is to be submitted to the STC Panel. This period will allow the Code Administrator to deliver a better service and in turn allow all network users to better understand code modifications.</p>										
	<p>This Draft Self -Governance Modification report has been prepared in accordance with the terms of the STC. An electric version of this document and all other CM073 related documentation can be found on the National Grid ESO website via the following link:</p> <p><a href="https://www.nationalgrideso.com/codes/system-operator-transmission-owner-code/modifications/critical-friend-review-period">https://www.nationalgrideso.com/codes/system-operator-transmission-owner-code/modifications/critical-friend-review-period</a></p> <p>The purpose of this document is to assist the STC Panel in making its determination on whether to implement CM073.</p>									
	<p><b>High Impact:</b> None identified.</p>									
	<p><b>Medium Impact:</b> National Grid ESO Code Administrator.</p>									
	<p><b>Low Impact:</b> All parties seeking to raise a modification to the STC and the STC Panel.</p>									

## Contents

<b>1 About this document</b>	<b>4</b>
<b>2 Summary</b>	<b>4</b>
<b>3 Governance</b>	<b>5</b>
<b>4 STC Panel View</b>	<b>6</b>
<b>5 Why Change?</b>	<b>6</b>
<b>6 Code Specific Matters</b>	<b>6</b>
<b>7 Solution</b>	<b>7</b>
<b>8 Impacts &amp; Other Considerations</b>	<b>7</b>
<b>9 Relevant Objectives</b>	<b>8</b>
<b>10 Implementation</b>	<b>8</b>
<b>11 Industry Consultation Responses</b>	<b>8</b>
<b>12 Costs</b>	<b>11</b>
<b>13 Legal Text</b>	<b>11</b>
<b>14 Annex 1 – Self -Governance Statement</b>	<b>11</b>
<b>15 Annex 2 – Industry Consultation Responses</b>	<b>13</b>



Any questions?

Contact:

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## Timetable

### The Code Administrator recommends the following timetable:

Modification presented at the STC Panel	30 April 2019
Code Administration Consultation issued to the Industry (10 working days)	03 May 2019/20 May 2019
Draft STC Modification Self-Governance Report presented to Panel	21 May 2019
Modification Panel Self-Governance vote	29 May 2019
Appeal window opens (15 working days)	7 June 2019
Decision implemented in STC (10 working days following appeal window closure)	15 July (July Panel)

## Proposer Details

<p><b>Details of Proposer:</b> (Organisation Name)</p>	National Grid Electricity System Operator
<p>Capacity in which the STC Modification Proposal is being proposed:  (i.e. STC Party, Party Representative or person or persons having a relevant interest as may be designated in writing for this purpose by the Authority)</p>	STC Party
<p><b>Details of Proposer's Representative:</b></p> <p>Name: Chrissie Brown</p> <p>Organisation: National Grid ESO</p> <p>Telephone Number: 01926 65 3328</p> <p>Email Address: <a href="mailto:Christine.brown1@nationalgrideso.com">Christine.brown1@nationalgrideso.com</a></p>	
<p><b>Details of Representative's Alternate:</b></p> <p>Name:</p> <p>Organisation:</p> <p>Telephone Number:</p> <p>Email Address:</p>	
<p><b>Attachments (Yes/No): No</b></p> <p><b>If Yes, Title and No. of pages of each Attachment:</b></p>	

## Impact on Core Industry Documentation.

BSC

<b>Grid Code</b>	X
<b>CUSC</b>	X
<b>Other</b>	

Modifications will be raised across the three codes that we administer in March 2019.

## 1 About this document

This document is the Draft Self- Governance Modification report document that contains the responses received from the Industry Consultation which closed on 20 May 2019.

CM073 was proposed by National Grid ESO and was submitted to the STC Modifications Panel for its consideration on 30 April 2019. The Panel decided to send the proposal to industry consultation.

CM073 seeks to codify a requirement for new modifications to be submitted to the National Grid ESO Code Administrator for a period of five working days ahead of when the modification is to be submitted to the STC Panel. This period will allow the Code Administrator to deliver a better service and in turn allow all network users to better understand code modifications.

### Industry Consultation Responses

One response was received to the Industry Consultation which supported CM073. This response can be found within Section 11 and Annex 2 of this report.

## 2 Summary

### Defect

The National Grid Electricity System Operator Code Administrator does not have sufficient time when a modification is raised to carry out their Critical Friend duties to deliver a better service to raise the quality of modifications. Providing a Critical Friend review is a principle of the Code Administrator Code of Practice (CACoP) that ensures all modification submitted to Panel are fit for purpose.

### What

The STC needs to be amended to allow time for the critical friend review between the submission of a modification and when the modification is submitted to the Panel.

### Why

We provide our Critical Friend service for all modifications to the Grid Code, System Operator Transmission Owner Code and Connection and Use of System Code. We recognise that this can be and will be carried out (should this modification be approved)

to an even higher standard and that we need to ensure consistently across every modification raised. This includes meeting the expectations of network users, improving the accessibility of modifications and the ease in which they can understand modifications and impacts.

We have spoken and listened to our customers and have heard that:

- there is a need to have defects (the issue) outlined in plain English so all can understand the intent and issue that has been raised
- the defect needs to be clear so that all can understand whether they can raise any other potential solutions to the issue in hand
- consumer impacts are not populated at times or when they are they are not clear
- impacts or potential impacts are not clear to all parties when a modification is raised
- governance routes can be confusing, and Proposers do not fully understand the options when submitting their Proposal forms
- modifications are raised when other routes for the issue could be considered
- modification titles can be confusing and do not fully represent the effect of a modification

We believe that having five working days between receiving a modification and publishing it for industry and the Panel to review will provide sufficient time to feedback on Proposal forms received and ensure there is a step change in the quality of the modifications that then proceed through the modification process.

Our Code of Practice outlines the following:

### **Principle 1: Code Administrators shall be critical friends**

*Helping all new and existing energy market users effectively frame and develop Modifications.*

*Proactively reviewing and commenting on draft Modifications.*

This modification will underpin this Principle and ensure that we improve our service in this area.

### **How**

The STC will be updated to outline that modifications are required to be submitted to us for a period (5 working days) ahead of the Panel papers day.

## **3 Governance**

On 30 April 2019, the STC Panel agreed that CM073 meets the self-governance criteria and should proceed to Industry Consultation for 10 Working Days.

## 4 STC Panel View

The STC Panel, at its meeting on 30 April 2019, agreed that CM073 should be progressed as Self-Governance and be issued to Industry Consultation for 10 working days.

The views of the STC Panel were as follows:

### **National Grid Electricity System Operator**

National Grid Electricity System Operator is supportive of CM070 and agrees it meets the Self-Governance criteria.

### **National Grid Electricity Transmission**

National Grid Electricity Transmission is supportive of CM070 and agrees it meets the Self-Governance criteria.

### **Offshore Transmission Owners (OFTOs)**

The OFTO's are supportive of CM070 and agree it meets the Self-Governance criteria.

### **Scottish Hydro Electric Transmission plc. (SHET)**

SHET is supportive of CM070 and agree it meets the Self-Governance criteria.

### **SP Transmission Limited (SPT)**

SPT is supportive of CM070 and agree it meets the Self-Governance criteria as the Modification is updating changes that are already in place.

CM073 has been issued for Industry Consultation for 10 Working Days, with responses due by **5pm on 20 May 2019**.

## 5 Why Change?

Amendments to our codes are at the highest level that they have ever been. Industry need to understand what the potential impacts of the modifications are going to be as soon as they are raised, what the Consumer impacts are and also clearly understand the issue and intent. This modification will unlock and facilitate this ensuring a step change in the quality of modifications being tabled at our Panels.

## 6 Code Specific Matters

### **Technical Skillsets**

None.

### **Reference Documents**

[The Code Administrators Code of Practice](#)

[Materiality Guidance](#)

## 7 Solution

When assessing whether to raise this modification we attended the CUSC Issues Standing Group (CISG) to gain feedback on the best way forward with regard to the defect.

The feedback received was that those who attended believed that there was a defect (or issue) to be addressed and there was broad support for making the amendment to the Codes.

We outlined some options in terms of the way to proceed and carried out the same exercise at the Grid Code Development Forum (GCDF).

We will also be presenting this modification in draft format to the STC Panel at the March 2019 Panel meeting being held on 1 April 2019 for feedback ahead of formally raising the modification at the end of April 2019.

We listened to the views on the potential way forward and concluded that due to the inconsistency in terms of approach from different customers this modification would codify the requirement and we believe this is the best way forward to ensure consistency and to make the step change required.

We carried out some research with other Code Administrators from a best practice point of view and concluded that no other code allows a modification to be raised and submitted to their Panels on the same day (other than via the Urgency route) The amount of time requested is not consistent, some request five working days, some three and a half.

Therefore, we conclude that we see the best way forward is to propose a solution of five working days for our Codes.

Please note that this modification will not seek to amend the Urgency area of the Governance Rules.

## 8 Impacts & Other Considerations

This modification will have an impact on the Connection and Use of System Code (CUSC) and the Grid Code as we will ensure that there is a consistent process across all of our Codes, so modifications will be raised across all three codes concurrently.

### **Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?**

No.

### **Consumer Impacts**

This modification will have an indirect impact on the Consumer. The modification should ensure that the quality of modifications increases which will unlock understanding of modifications. This in turn should increase contribution to our processes and therefore drive forward the raising of modifications for the ultimate benefit of those paying – the Consumer.

## 9 Relevant Objectives

This modification will have a positive impact in the efficiency of the Governance arrangements outlined within the STC.

Relevant Objective	Identified impact
(a) efficient discharge of the obligations imposed upon transmission licensees by transmission licences and the Act	None
(b) development, maintenance and operation of an efficient, economical and coordinated system of electricity transmission	None
(c) facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the distribution of electricity	None
(d) protection of the security and quality of supply and safe operation of the national electricity transmission system insofar as it relates to interactions between transmission licensees	None
(e) promotion of good industry practice and efficiency in the implementation and administration of the arrangements described in the STC.	Positive
(f) facilitation of access to the national electricity transmission system for generation not yet connected to the national electricity transmission system or distribution system;	None
(g) compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.	None

## 10 Implementation

The Proposer recommends that this modification is implemented 10 working days following the closure of the appeal window following the Panel Self-Governance vote. This modification will not have any implementation costs associated with it.

## 11 Industry Consultation Responses



The Industry Consultation was issued on 3 May 2019 for 10 working days, with a close date on 20 May 2019. 1 response was received to the industry consultation and is detailed below.

Respondent	Do you believe that CM073 better facilitates the applicable STC Objectives?	Do you support the proposed implementation approach?	Do you have any other comments?
<p>Richard Woodward, National Grid Electricity Transmission (NGET)</p>	<p>We agree with the proposer that this modification better facilitates STC objective (e) – in that it improves the Code Administrator’s ability to provide critical friend support to mod proposers, and it sets a higher standard of good working practice for new proposals.</p> <p>We agree with the ESO, through CM073, that mod proposals would be better considered, and submitted in sufficient time for the Code Administrator to review and feedback to improve quality. This leads to effective and efficient Panel discussions, as well as prioritisation where possible, ensuring proportionate consequential work to consider any code changes (e.g.</p>	<p>We do.</p>	<p>Whilst we are aware of the Energy Codes review due to be kicked off by BEIS and Ofgem imminently, we would encourage all Code Administrators to continue to take active steps to improve working practices in code governance, rather than wait to see any broader strategic direction which might apply in the future.</p> <p>Mods such as CM073 highlight that inefficient working practice is sometimes accepted in code governance as ‘business as usual’. This not only creates unfair resource expectations on Code Administrators, but often also leads to industry parties needing to contribute to clarify proposals (either at Panel or workgroup)</p>

	<p>workgroups; consultations etc.)</p> <p>We agree this modification is otherwise neutral for the remaining STC objectives, having no negative impacts elsewhere.</p>		<p>before work can even commence.</p> <p>It is imperative that first and foremost, the arrangements ensure that relevant and constructive code change proposals are raised and prioritised. The arrangements also need to ensure industry time is spent in as efficient way as possible, and provides optimum routes for engagement. This is even more important in user-facing codes (less so the STC).</p> <p>We are keen to work with the industry, particularly Code Administrators and Code Panels, to ensure that code change is undertaken in an inclusive, manageable, and constructive manner to ensure the codes are fit for purpose. We also look forward to hearing the BEIS/Ofgem Energy Code review proposals during 2019 which will hopefully consider this kind of reform more holistically.</p>
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## 12 Costs

There were no Workgroup meetings and one Industry Consultation administered as part of this modification. There was one response received to the Industry Consultation. The Code Administrator has calculated a figure to indicate the cost for Industry reviewing the CM073 proposal and the Code Administrator for administering the modification which is forecasted at £908.00.

## 13 Legal Text

6.3.4 A Party or other person designated under sub-paragraph 7.2.2.1(b) may submit matters (excluding new modifications) and any supporting papers for consideration at a STC Modification Panel Meeting to be received by the Panel Secretary not less than Five (5) Business Days before the date of that STC Modification Panel Meeting or such shorter period as the Party Representatives may agree. Where a STC or STCP Modification Proposal is received more than ten (10) Business Days prior to the next STC Panel meeting, the Panel Secretary shall place the STC Modification Proposal on the agenda of the next STC Panel meeting and otherwise shall place it on the agenda of the next succeeding STC Panel meeting.

## 14 Annex 1 – Self -Governance Statement

Roberta Fernie  
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Glasgow  
G2 2BA  
(By Email)

Lurrentia Walker  
STC Modifications Panel  
Secretary  
[Lurrentia.Walker@nationalgrideso.com](mailto:Lurrentia.Walker@nationalgrideso.com)  
Direct tel 07976 940855

3 May 2019  
Reference: CM073 Self Governance Statement

[www.nationalgrideso.com](http://www.nationalgrideso.com)

Dear Roberta,

This is the STC Modifications Panel's Self-governance Statement to the Authority for STC Modification Proposal CM073. National Grid ESO has prepared this Self-governance Statement on behalf of the STC Modifications Panel and submits it to you in accordance with the STC.

On 30 April 2019, the STC Modifications Panel considered CM073 and confirmed unanimously that it meets the Self-governance criteria. As such, CM073 is unlikely to discriminate between different classes of STC Parties and is unlikely to have a material effect on:

- i) Existing or future electricity customers;
- ii) Competition in the generation, distribution, or supply of electricity or any commercial activities connected with the generation, distribution or supply of electricity,
- iii) The operation of the National Electricity Transmission System
- iv) Matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies
- v) The STC's governance procedures or the STC's modification procedures

The proposed timetable for the progression of CM073 is as follows:

Modification presented at the STC Panel	30 April 2019
Code Administration Consultation issued to the Industry (10 working days)	03 May 2019/20 May 2019
Draft STC Modification Self-Governance Report presented to Panel	21 May 2019
Modification Panel Self-Governance vote	29 May 2019
Appeal window opens (15 working days)	7 June 2019
Decision implemented in STC (10 working days following appeal window closure)	15 July (July Panel)

The CM073 Proposal form is available at:

<https://www.nationalgrideso.com/codes/system-operator-transmission-owner-code/modifications/critical-friend-review-period>

If you require any further information, please do not hesitate to contact me.

Yours Sincerely,

Lurrentia Walker  
STC Modifications Panel Secretary.

## 15 Annex 2 – Industry Consultation Responses

## STC Industry Consultation Response Proforma

### CM073 'Critical Friend review period for submission of new Modifications'.

Industry parties are invited to respond to this Industry Consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses by **5:00pm** on **20 May 2019** to [stcteam@nationalgrideso.com](mailto:stcteam@nationalgrideso.com). Please note that any responses received after the deadline or sent to a different email address may not be included within the Final Modification Report to the Authority.

Any queries on the content of the consultation should be addressed to Ren Walker at [Lurrentia.Walker@nationalgrideso.com](mailto:Lurrentia.Walker@nationalgrideso.com)

These responses will be included within the Draft STC Modification Report to the STC Panel and within the Final STC Modification Report. This Modification is being progressed as self-governance and as such the STC Panel will be responsible for determining if this Modification is approved.

<b>Respondent:</b>	<i>Richard Woodward</i> <a href="mailto:Richard.Woodward@nationalgrid.com">Richard.Woodward@nationalgrid.com</a> 07964 541743
<b>Company Name:</b>	<i>National Grid Electricity Transmission</i>
<b>Please express your views regarding the Industry Consultation, including rationale.</b> <b>(Please include any issues, suggestions or queries)</b>	For reference, the Applicable STC objectives are: (a) efficient discharge of the obligations imposed upon transmission licensees by transmission licences and the Act (b) development, maintenance and operation of an efficient, economical and coordinated system of electricity transmission (c) facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the distribution of electricity  (d) protection of the security and quality of supply and safe operation of the national electricity transmission system insofar as it relates to interactions between transmission licensees  (e) promotion of good industry practice and efficiency in the implementation and administration of the arrangements described in the STC.

	<p>(f) facilitation of access to the national electricity transmission system for generation not yet connected to the national electricity transmission system or distribution system;</p> <p>(g) compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.</p>
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### Industry Consultation questions

Q	Question	Response
1	<p><b>Do you believe that CM073 better facilitates the Applicable STC objectives? Please include your reasoning.</b></p>	<p>We agree with the proposer that this modification better facilitates STC objective (e) – in that it improves the Code Administrator’s ability to provide critical friend support to mod proposers, and it sets a higher standard of good working practice for new proposals.</p> <p>We agree with the ESO, through CM073, that mod proposals would be better considered, and submitted in sufficient time for the Code Administrator to review and feedback to improve quality. This leads to effective and efficient Panel discussions, as well as prioritisation where possible, ensuring proportionate consequential work to consider any code changes (e.g. workgroups; consultations etc.)</p> <p>We agree this modification is otherwise neutral for the remaining STC objectives, having no negative impacts elsewhere.</p>
2	<p><b>Do you support the proposed implementation approach?</b></p>	<p>We do.</p>



Q	Question	Response
3	<p><b>Do you have any other comments in relation to CM073?</b></p>	<p>Whilst we are aware of the Energy Codes review due to be kicked off by BEIS and Ofgem imminently, we would encourage all Code Administrators to continue to take active steps to improve working practices in code governance, rather than wait to see any broader strategic direction which might apply in the future.</p> <p>Mods such as CM073 highlight that inefficient working practice is sometimes accepted in code governance as ‘business as usual’. This not only creates unfair resource expectations on Code Administrators, but often also leads to industry parties needing to contribute to clarify proposals (either at Panel or workgroup) before work can even commence.</p> <p>It is imperative that first and foremost, the arrangements ensure that relevant and constructive code change proposals are raised and prioritised. The arrangements also need to ensure industry time is spent in as efficient way as possible, and provides optimum routes for engagement. This is even more important in user-facing codes (less so the STC).</p> <p>We are keen to work with the industry, particularly Code Administrators and Code Panels, to ensure that code change is undertaken in an inclusive, manageable, and constructive manner to ensure the codes are fit for purpose. We also look forward to hearing the BEIS/Ofgem Energy Code review proposals during 2019 which will hopefully consider this kind of reform more holistically.</p>